

## **Education and Workforce Development Cabinet**

# **Kentucky's jobless rate drops to 8.3 percent in April 2012**

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### **Contact Information:**

**FRANKFORT, Ky.** — Kentucky's seasonally adjusted preliminary unemployment rate fell to 8.3 percent in April 2012 from a revised 8.6 percent in March 2012, making it the lowest unemployment rate in the state since November 2008, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary April 2012 jobless rate was 1.3 percentage points below the 9.6 percent rate recorded for the state in April 2011.

The U.S. seasonally adjusted jobless rate fell to 8.1 percent in April 2012 from 8.2 percent in March 2012, according to the U.S. Department of Labor.

Labor force statistics, including the unemployment rate, are based on estimates and are compiled to measure trends rather than actually to count people working.

In April 2012, Kentucky's civilian labor force was 2,062,900, a decrease of 2,667 individuals compared to the previous month.

"Some assume that the reason for the slight decline in the labor force is discouraged worker syndrome, but that doesn't appear to be the case," said economist Manoj Shanker of the OET. "Demographic evidence shows that the number of Baby Boomers retiring is higher than the number of young workers entering the labor force. The diminished inflow of net new workers lowers the labor force."

Kentucky's seasonally adjusted nonfarm employment increased by 1,900 jobs in April 2012 from the month before, and by 32,700 positions since April 2011. Nonfarm data is provided by the Bureau of Labor Statistics' Current Employment Statistics program. According to this survey, six of Kentucky's 11 major nonfarm North American Industry Classification System (NAICS) job sectors registered gains in employment, while five declined.

Kentucky's manufacturing sector gained 3,200 jobs in April 2012 compared to the previous month. Since April 2011, employment in manufacturing has increased by 5,700 jobs.

"This is the largest month-to-month increase in two years for the manufacturing sector. The increased hiring shows that businesses are confident about the domestic recovery, even as

manufacturing exports to key European and Japanese markets are declining. The demand for durable goods and automobiles is also a sign of increased consumer confidence,” said Shanker.

Professional and business services added 2,300 positions in April 2012. This category includes establishments engaged in services that support the day-to-day activities of other organizations, including temporary employment services. Since last April, jobs in the sector have increased by 19,700 or nearly 11 percent.

“Growth in business services is an important indicator of the health of the economy. Employment in temporary help agencies and technical services has surged as businesses start hiring to meet increased demand for both goods and services,” said Shanker.

Employment in the educational and health services sector rose by 900 jobs in April 2012. The sector has posted a gain of 6,300 jobs since April 2011.

Employment in the other services sector, which includes repairs and maintenance, personal care services, and religious organizations, increased by 800 positions in April 2012. Since last April, the sector has added 600 jobs.

The financial activities sector gained 400 jobs from a month ago. However, when compared to April a year ago businesses involved in finance, insurance, real estate and property leasing lost 900 jobs.

The information sector added 100 jobs in April 2012. This segment has lost 900 positions since April 2011. The industries in this sector include traditional publishing as well as software publishing; motion pictures and broadcasting; and telecommunications.

Employment in the mining and logging sector fell by 200 in April 2012. The number of jobs in this sector has dropped by 900 from April 2011.

The trade, transportation and utilities sector lost 500 jobs in April 2012. This is the largest sector in Kentucky with 367,000 positions, and accounts for about 20 percent of nonfarm employment. Since April 2011, jobs in this sector have increased by 1,900.

The government sector, which includes public education, public administration agencies and state-owned hospitals, declined by 500 jobs in April 2012. The sector had 2,700 fewer jobs compared to April 2011.

Kentucky’s leisure and hospitality sector decreased by 2,200 jobs in April 2012 from a month ago. Since April 2011, the sector has grown by 4,600 positions. This sector and include arts, entertainment, recreation, accommodation and food services.

Construction jobs fell by 2,400 in April 2012 from a month ago. Since April 2011 employment in construction has decreased by 1,400 positions.

“The decline in the leisure and hospitality, and in the construction sector may be due to the method used for adjusting the employment data for seasonal variations,” said Shanker. “A relatively warm winter disrupted the ‘typical’ seasonal factors causing a seemingly greater increase in employment in early winter, and lower employment in spring.”

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at [www.workforce.ky.gov](http://www.workforce.ky.gov).